



Chapter 12

HUMAN RESOURCES

HIGHLIGHTS

- Propose changes to DOHR rules, policies, and processes in coordination with and in support of the pending TEAM Act legislation.
- Develop a best-practice performance evaluation system for state employees that is fair, flexible, and promotes excellence through the use of goals that are specific, measurable, achievable, relevant and time sensitive (SMART).
- Redesign the process for creating and updating job specifications and establishing new job classifications.
- Complete a salary study in order to provide current information regarding the position of state salaries compared to the rest of the market.
- Implement an executive service pay plan designed to improve processes as well as remove the cap on the General Pay Plan to allow market driven adjustments to be made for career service classifications.

INTRODUCTION

The Department of Human Resources’ mission is to provide innovative human resources leadership and solutions for people, through people. This mission comes from the vision of being one of the nation’s most progressive, strategic, proactive and effective state human resources leaders.

State government is the largest single employer in Tennessee. As the central focus for human resources in the state, the Department of Human Resources (DOHR) supports the entire executive branch workforce of more than 40,000 employees, and provides technical assistance to the legislative and judicial branches as well. In helping to ensure effective and efficient HR management, DOHR provides several basic services, such as advising the governor and assisting departments in carrying out best practices in human resources and compensation;

administering provisions of the Civil Service Act; providing departments and agencies with a pool of qualified applicants for employment selection; and creating a high performance workforce through effective development programs.

A key component of DOHR's role is to provide a consistent, independent platform for the development, implementation, and interpretation of best practice programs and policies benefitting both employees and state agencies. As the state's overarching human resources agency, DOHR views state government as a whole, and assists individual agencies in making strategic decisions about organizational development, employee and leadership development, and policy implementation.

APPROACH/METHODOLOGY

The Department of Human Resources' (DOHR) Top to Bottom Review examined the staff, organizational structure, statutory requirements, mission, programs, rules, and processes of the department. The review included input from employees in each of DOHR's ten divisions, information gathered during the agency's strategic planning process, statistical and demographic data about the agency and current performance, and a lengthy situational awareness and analysis process undertaken by the agency's leadership team. DOHR focused on programs and processes under its purview but did not include items related to procurement or other state systems which it uses but does not control.

During the Top to Bottom Review, concerns about state hiring and employment practices that have been consistently raised by applicants, employees, taxpayers and agency staff for many years continued to appear. In the listening tour of meetings with employees, the most mentioned topic was the frustration with the antiquated hiring processes. Approximately 30% of the suggestions in the Transforming Government survey last year demonstrated a need to reform the state's employment practices. In addition, a main focus of the Tennessee Government Leadership Conference, a collaboration of more than 250 leaders, was the inefficient employment practices.

RECOMMENDATIONS

Recommendation 1: Complete a review of state hiring and employment practices and make any process changes possible under the current statutes so departments across state government feel they have the most efficient and effective methods for hiring, rewarding and retaining the best employees for all of their positions.

Discussion: Concerns about state hiring and employment practices have been consistently raised by applicants, employees, taxpayers and agency staff for many years, and were particularly prevalent during the Top to Bottom Review. Ultimately, changes to the statutes governing civil service applications, testing and ranking processes will need to occur in order for state agencies to have the flexibility to hire, reward and retain the most talented and best qualified employees.

The Tennessee Excellence, Accountability and Management (TEAM) Act of 2012 is designed to establish methods for attracting, selecting, retaining and promoting the best applicants and employees based on performance and equal opportunity, free from coercive political influence, and to provide technically competent employees to render impartial service to the public at all times. The TEAM Act will give agencies greater flexibility in personnel management and increase customer focused effectiveness and efficiency in a best practice environment.

Recommendation 2: Develop a best-practice performance evaluation system for state employees that is fair, flexible and promotes excellence through the use of SMART goals.

Discussion: The current Performance Evaluation System for state employees is operationally inefficient and is not currently used to develop employees and help them achieve excellence.

DOHR strongly believes an effective performance evaluation system works if all management, top to bottom, commits to its full implementation. It is imperative that we have a best-practice appraisal

process in place so that all employees are fairly and accurately rated as efficiently as possible. The culture surrounding the current system precludes simply “tweaking what we have”; in order to effect real change, the entire process, system and management support, needs to be different. Additionally, including all employees in a formal appraisal system is both the fair and right thing to do to continue performance improvement at all levels of government.

DOHR is currently implementing the SMART Goal system (goals which are specific, measurable, achievable, relevant and timely) in our agency, and is assisting other agencies that may be interested in implementing these as well.

Recommendation 3: Redesign the process for creating and updating job specifications and establishing new job classifications.

Discussion: The establishment of a new career service job classification or the revision of specifications, minimum qualifications or rating guidelines of an existing classification requires an inordinate amount of time. It is generally estimated under the current system that these processes can take anywhere from four to six months per job specification. The result is that many job specifications and rating guidelines are outdated, and new technologies and educational advances may not be reflected.

DOHR is consulting with faculty in the Industrial/Organizational Psychology Department at Middle Tennessee State University regarding how long this process should take and how to make it more efficient within state government. MTSU will assist in redesigning DOHR’s processes for the development and validation of job specifications and in developing a training program for staff.

Recommendation 4: Complete a salary study in order to provide current information regarding the position of state salaries to the market.

Discussion: An outcome of the state’s attention to customer focused government should be on retaining current and attracting new high potential, high performing employees who can help the state implement more efficient and effective processes. As the economy improves, it will become more and more difficult to accomplish this goal without some movement in state employee salaries.

The most recent Tennessee comprehensive salary survey was completed by the Mercer Group in 2007; however, DOHR can no longer rely on this 2007 study due to changes that have occurred in economic conditions over the last five years. Completing a new study is the quickest and most accurate way to get data from which decisions can be made about upgrading the salaries of job classifications statewide. Funds have been included in the 2012-13 budget for the completion of a market study and an initial implementation of resulting recommendations.

Recommendation 5: Implement an executive service pay plan designed to improve processes as well as remove the cap on the General Pay Plan to allow market driven adjustments to be made for career service classifications.

Discussion: The current compensation structure is outdated and does not provide necessary flexibility to upgrade job classifications in response to demonstrated retention or recruitment issues. In 1984, the current General Pay Plan was created to cover most career and executive service positions in state government. At the time of implementation, salary grades were broad enough to allow for change and growth, and the plan was in line with the market. Changes have been made in the intervening years; however, due to funding restraints that did not allow for growth in all areas, changes have, in some cases, been selectively applied to certain job classifications and not to the ranges as a whole. The result is that the General Pay Plan has an artificial cap at the top, leaving no room for market level changes within the salary grades.

DOHR has created and implemented a separate pay plan for job classifications strictly in the executive service, along with a comprehensive policy for implementation. Removing these executive service classifications and the artificial cap from the General Pay Plan will allow for any market changes recommended in the salary study to be made.

This recommendation has been completed.